What is a P3?

- Public-Private Partnerships, PPPs or P3s are partnerships between the public and private sector to build public infrastructure like roads, hospitals or schools as well as deliver services

- P3s can be structured in different ways, allocating varying degrees of responsibility for design, construction, financing, maintenance, and sometimes operation to the private sector for periods of 25-35 years
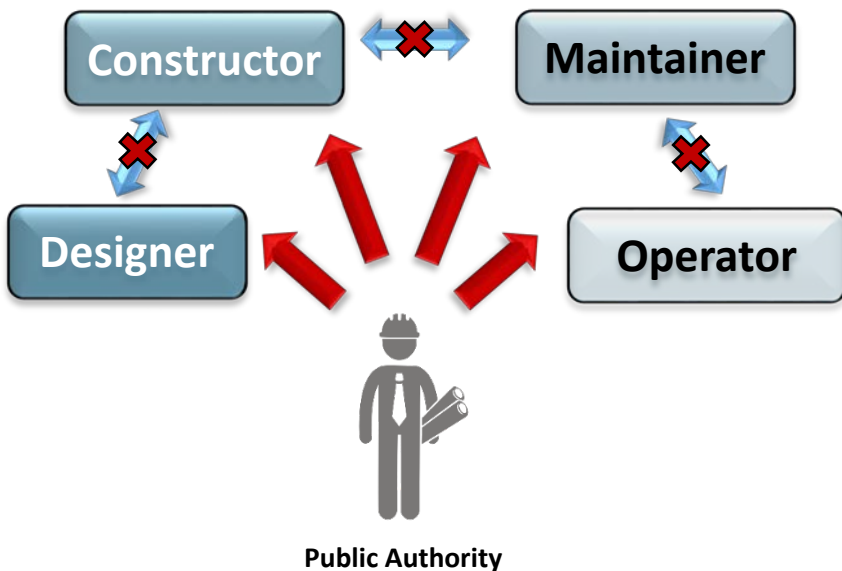
What is a P3?

- P3s are publicly-owned and controlled
- The government contracts with a single entity ("Project Co") who in turn contracts with consortium partners
- P3s are performance-based
  - Payment from Government only begins upon completion of construction, and on-going payments remain subject to deduction for failures in service delivery
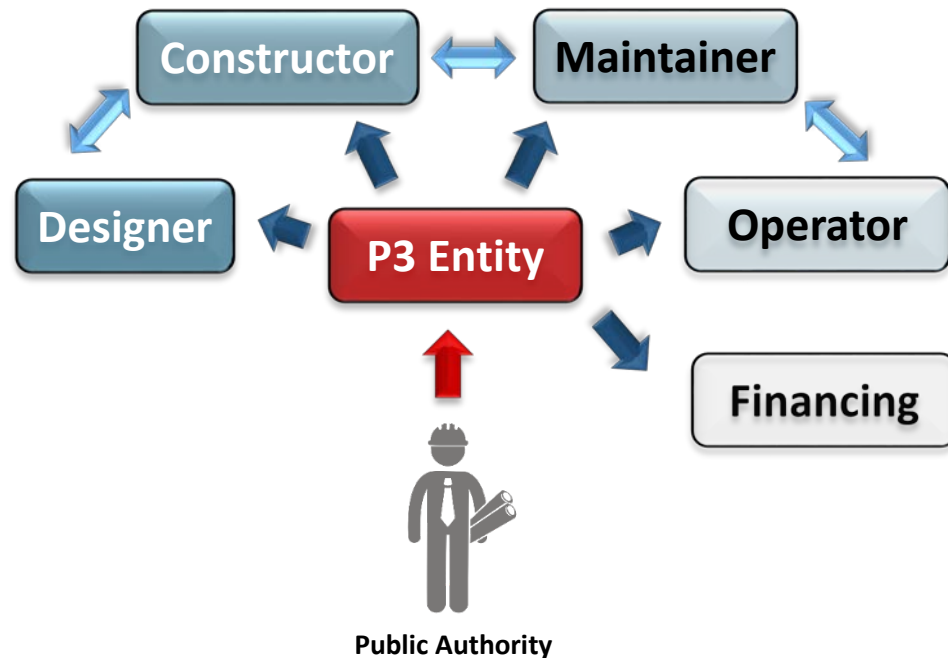
Traditional Project vs. P3 Project

The Canadian Council for Public-Private Partnerships

Le Conseil Canadien pour les Partenariats Public-Privé

Traditional Model

Private Sector

Constructor — ✗ — Maintainer

Designer — ✗ — Operator

Public Authority

P3 Model

Private Sector

Constructor — Maintainer

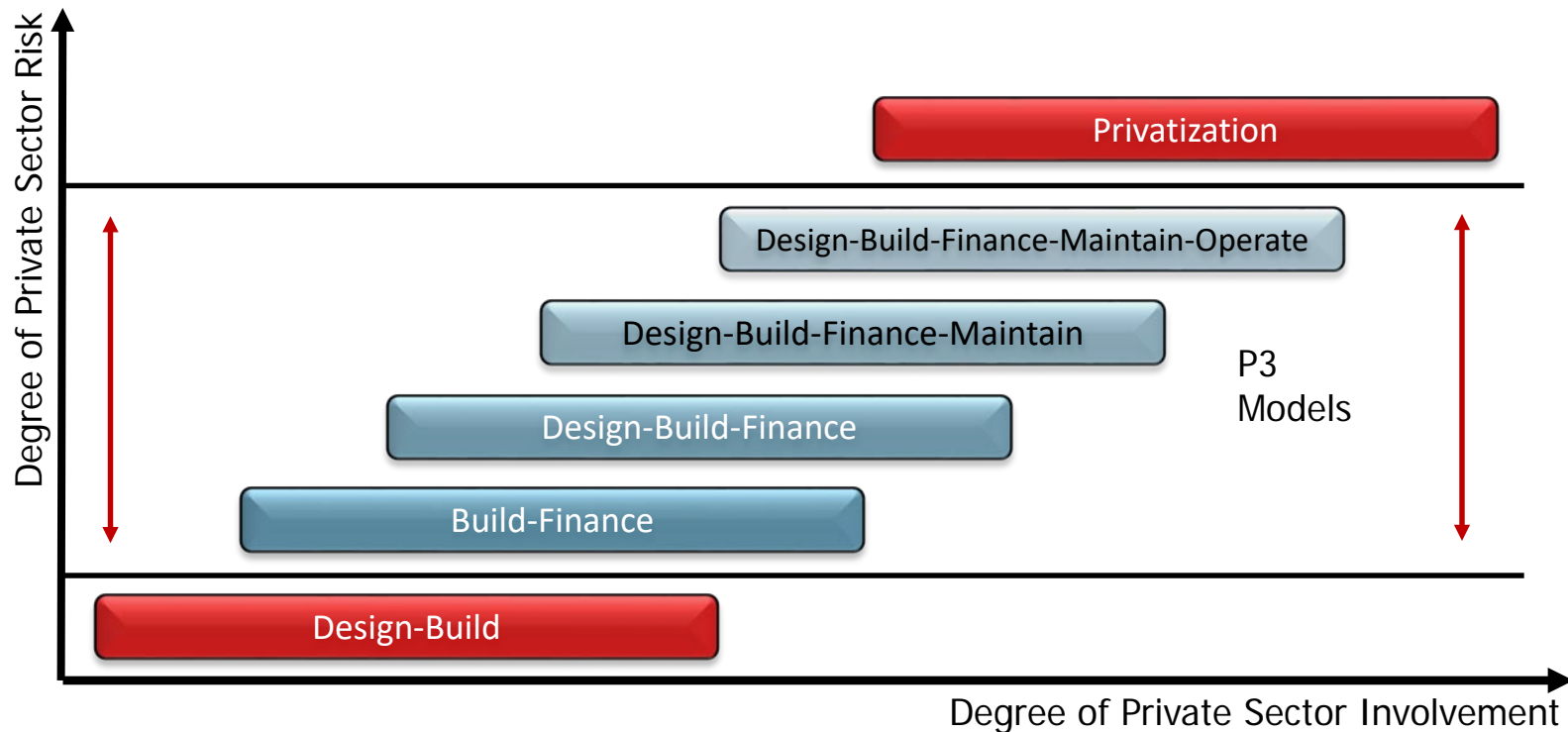Designer — P3 Entity — Operator

Financing

Public Authority

When to use P3s

Typical characteristics that make a project more likely to make sense as a P3:

- Project is large in size ($50M Capital Expenditure or higher)
- Project is complex
- The opportunity for risk transfer by the government owner
- Long-term maintenance and/or operations component
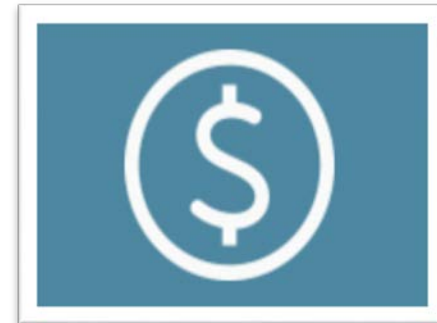- Opportunity to innovate

Procurement Spectrum

Degree of Private Sector Risk

Privatization

Design-Build-Finance-Maintain-Operate

Design-Build-Finance-Maintain

P3
Models

Design-Build-Finance

Build-Finance

Design-Build

Degree of Private Sector Involvement

Canadian P3 Overview

25-Year
History

258
Projects

$122.4+
Billion

Source: Canadian PPP Project Database

P3 Projects by Sector

Sector	Number	Value ($B) *
Transportation	69	53.0
Energy	10	26.1
Health	93	27.3
Justice	22	5.4
Education	15	3.1
Accommodations	7	2.5
Recreation & Culture	16	1.3
Government Services	4	1
Water & Wastewater	18	1.9
Information Technology	4	0.8
Total	**258**	**122.4+**

*   Includes only actual cost figures released after financial close. Source: Canadian PPP Project Database

P3 Projects by Location

Province	Number
Alberta	19
British Columbia	41
Manitoba	6
New Brunswick	13
Newfoundland & Labrador	2
Northwest Territories	3
Nova Scotia	3
Nunavut	2
Ontario	135
Québec	16
Saskatchewan	9
Federal	9
Total	**258**

Source: Canadian PPP Project Database

Municipal P3 Projects by Location

Province	Number
Alberta	6
British Columbia	9
Manitoba	5
New Brunswick	5
Ontario	23
Saskatchewan	4
Total	52

Source: Canadian PPP Project Database

Projects by Status

Source: Canadian PPP Project Database

pppcouncil.ca